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Oct 5, 2000

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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

OCT 11, 2000
MONTANA STATE LIBRARY
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HELENA, MONTANA 59620



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EFFECTIVE: NOV 1, 2000
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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%	\$14.44 /CWT
CLASS I BUTTERFAT PRICE PER POUND	\$1.28 /LB

EFFECTIVE NOVEMBER 1, 2000:

The minimum price to pay milk producers, under ARM 32.24.301, is \$14.44 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 12.8 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.28.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%	\$11.94 /CWT
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Average spray process dry milk solids

price per pound = \$1.03750
Multiplied by 8.2 x 8.2

\$8.50750 \$8.50750

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.08050
Multiplied by 4.2 x 4.2

\$4.53810 + \$4.53810

\$13.04560

LESS a make allowance of 8.5% (\$13.0456 X .085)

\$1.10888

Rounded to the nearest whole cent

\$11.94 /hundredweight.

\$11.93672

EFF: NOV 1, 2000

CLASS II BUTTERFAT PRICE PER POUND**\$1.20 /LB**

Last quote of the month for Grade AA butter			
minus a differential of \$.0895	=	\$1.08050 X .111)	=
Rounded to the nearest half cent			=
			\$0.11994
			\$0.120

Butterfat value per pound	
for milk at 3.5% test:	\$1.20

Hundredweight price of milk testing 3.5%		=	\$11.94
LESS 3.5 pounds of butterfat at	\$1.20 per pound	-	\$4.200
Value of 96.5 pounds of skim		=	\$7.740

CLASS II VALUE OF
ONE POUND OF SKIM

7.740 / 96.5 pounds)	=	\$0.08021 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$10.21 /CWT**

3.5 pounds of butterfat	\$0.97 per pound =	\$3.395
96.5 pounds of skim	\$0.07061 per pound =	\$6.814
		\$10.209 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$0.97 /LB**

Last quote of the month for Grade AA butter	
minus a difference of \$.0895	=
	\$1.08050
LESS 10%	
	\$0.10805
	\$0.97245

Rounded to the nearest whole cent	\$0.97 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$7.06123 /CWT**

Avg. spray process dry milk solid price/lb	\$1.03750
Multiplied by 8.2	8.2
	\$8.50750
LESS 17%	\$1.44628
	\$7.06123

Rounded to the nearest whole cent	\$7.06 per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marlys M. Mattfeldt

Marlys M. Mattfeldt, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$14.44 FOR 3.5% MILK 96.5 LBS = \$9.960		CLASS II SKIM PRICE BASED ON \$11.94 FOR 3.5% MILK 96.5 LBS = \$7.740		CLASS III SKIM PRICE BASED ON \$10.21 FOR 3.5% MILK 96.5 LBS = \$6.814	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10215	2.50	\$0.07938	2.50	\$0.06989
2.55	\$0.10221	2.55	\$0.07943	2.55	\$0.06992
2.60	\$0.10226	2.60	\$0.07947	2.60	\$0.06996
2.65	\$0.10231	2.65	\$0.07951	2.65	\$0.07000
2.70	\$0.10236	2.70	\$0.07955	2.70	\$0.07003
2.75	\$0.10242	2.75	\$0.07959	2.75	\$0.07007
2.80	\$0.10247	2.80	\$0.07963	2.80	\$0.07010
2.85	\$0.10252	2.85	\$0.07967	2.85	\$0.07014
2.90	\$0.10257	2.90	\$0.07971	2.90	\$0.07018
2.95	\$0.10263	2.95	\$0.07975	2.95	\$0.07021
3.00	\$0.10268	3.00	\$0.07979	3.00	\$0.07025
3.05	\$0.10273	3.05	\$0.07983	3.05	\$0.07028
3.10	\$0.10279	3.10	\$0.07988	3.10	\$0.07032
3.15	\$0.10284	3.15	\$0.07992	3.15	\$0.07036
3.20	\$0.10289	3.20	\$0.07996	3.20	\$0.07039
3.25	\$0.10295	3.25	\$0.08000	3.25	\$0.07043
3.30	\$0.10300	3.30	\$0.08004	3.30	\$0.07047
3.35	\$0.10305	3.35	\$0.08008	3.35	\$0.07050
3.40	\$0.10311	3.40	\$0.08012	3.40	\$0.07054
3.45	\$0.10316	3.45	\$0.08017	3.45	\$0.07058
3.50	\$0.10321	3.50	\$0.08021	3.50	\$0.07061
3.55	\$0.10327	3.55	\$0.08025	3.55	\$0.07065
3.60	\$0.10332	3.60	\$0.08029	3.60	\$0.07069
3.65	\$0.10337	3.65	\$0.08033	3.65	\$0.07072
3.70	\$0.10343	3.70	\$0.08037	3.70	\$0.07076
3.75	\$0.10348	3.75	\$0.08042	3.75	\$0.07080
3.80	\$0.10353	3.80	\$0.08046	3.80	\$0.07083
3.85	\$0.10359	3.85	\$0.08050	3.85	\$0.07087
3.90	\$0.10364	3.90	\$0.08054	3.90	\$0.07091
3.95	\$0.10370	3.95	\$0.08058	3.95	\$0.07094
4.00	\$0.10375	4.00	\$0.08063	4.00	\$0.07098
4.05	\$0.10380	4.05	\$0.08067	4.05	\$0.07102
4.10	\$0.10386	4.10	\$0.08071	4.10	\$0.07105
4.15	\$0.10391	4.15	\$0.08075	4.15	\$0.07109
4.20	\$0.10397	4.20	\$0.08079	4.20	\$0.07113
4.25	\$0.10402	4.25	\$0.08084	4.25	\$0.07117
4.30	\$0.10408	4.30	\$0.08088	4.30	\$0.07120
4.35	\$0.10413	4.35	\$0.08092	4.35	\$0.07124
4.40	\$0.10418	4.40	\$0.08096	4.40	\$0.07128
4.45	\$0.10424	4.45	\$0.08100	4.45	\$0.07131
4.50	\$0.10429	4.50	\$0.08105	4.50	\$0.07135

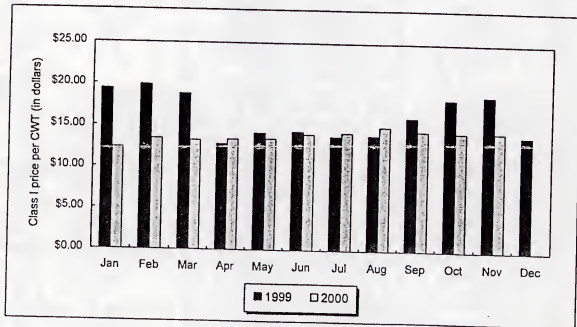
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1999 and 2000

Statistics from the Montana Milk Control Bureau

Month	1999	2000	Difference	% Change
January	\$19.39	\$12.34	(\$7.05)	-36.36%
February	\$19.89	\$13.45	(\$6.44)	-32.38%
March	\$18.82	\$13.26	(\$5.56)	-29.54%
April	\$12.82	\$13.39	\$0.57	4.45%
May	\$14.17	\$13.48	(\$0.69)	-4.87%
June	\$14.36	\$14.03	(\$0.33)	-2.30%
July	\$13.81	\$14.25	\$0.44	3.19%
August	\$13.97	\$15.01	\$1.04	7.44%
September	\$16.14	\$14.50	(\$1.64)	-10.16%
October	\$18.34	\$14.39	(\$3.95)	-21.54%
November	\$18.81	\$14.44	(\$4.37)	-23.23%
December	\$14.04			
Average	\$16.21	\$13.87	(\$2.54)	-13.21%

Prices are per hundredweight (CWT).

Completion of pooling (prior to audit) shows the producer quota blend prices to be:

Aug 2000: class I = \$9.70; class II = \$1.85; Class III = \$2.15; total = \$13.70

(calculations based upon utilization percentages of butterfat & skim)